Management of Inventory Assets In-Process Review 30 June 99

HQ, US Army Corps of Engineers
R.F. Urena, CELD-MS

US Army
Corps
of Engineers

Management of Inventory Assets

Agenda

- **Introduction - Chief, Maintenance and Supply Division, Directorate of Logistics**
- **Inventory Management Project**
  - **Inventory Update**
  - **Status update**
  - **Phase II**
  - **Field issues and comments**
  - **Major Milestones**
  - **Wrap-up and Taskers**

US Army
Corps
of Engineers

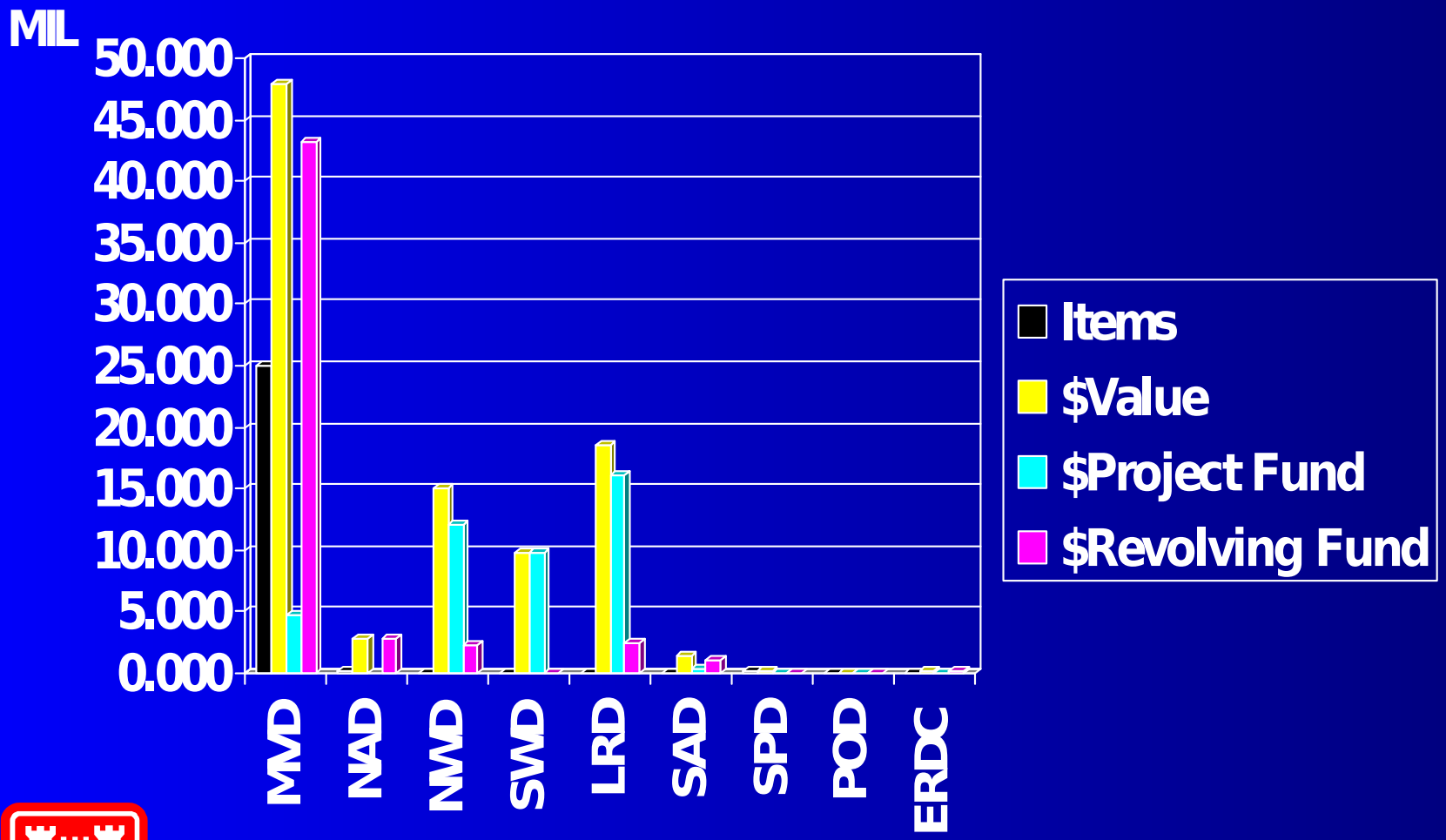
Management of Inventory Assets

Current Status

- **Inventory Value as of 30 Sep 98 - $22.8M**
- **Current inventory value as of 28 June 99 - $93.1M**
  - **Project Funded - $43.7M**
  - **Revolving Fund - $49.3M**
  - **Items valued at $10K or more - 609 items**

US Army
Corps
of Engineers

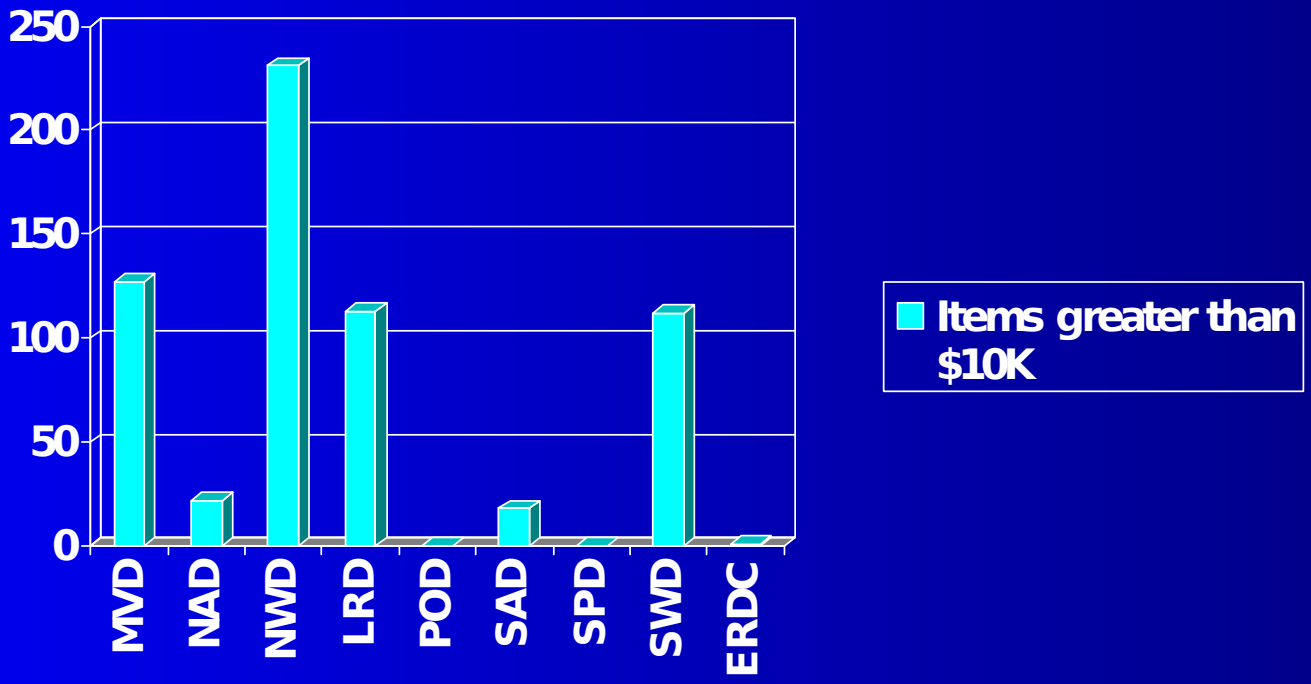
Inventory Summary Data
As of 28 Jun 99



US Army
Corps
of Engineers

Inventory Summary Data

as of 28 Jun 99



US Army
Corps
of Engineers

Management of Inventory Assets

Status Update

- **In-Process Review 15 June 99 with MSCs**
- **Phase II guidance provided to CG for signature**
- **RM policy change to ER 37-2-10 being staffed**
- **Training data bases being utilized by MSC/Centers**
- **Enhancements will made to Web-based Training Program**

Management of Inventory Assets

Status Update

- **Current assessment**
  - **One dollar/one cent valuation still being used**
  - **Possibly excessive number of warehouses created**
  - **Low-value Items being stocked**
  - **Project assets appear to be under-represented**
  - **Absence of resource plans and estimates, and appropriations symbols remain a problem**

Inventory Management Plan
Phase II

- **All stocked items (supplies and material) regardless of value**
  - **Includes self-service supply centers**
  - **Military funded items (subject to cost/benefit analysis)**
  - **All items in CEFMS NLT 30 Sep 99**
- **Use just-in-time (JIT) delivery methods to minimize stocks**
  - **Rule: "buy it when you need it"**
  - **Minimum quantity required to prevent mission failure**
  - **Consolidate warehouses**
  - **Commanders continually review/evaluate stocked items and levels**
    - **Eliminate stockage**
    - **Conduct Quality Assurance review of data bases**
- **Management reports/queries**
- **Performance indicators and criteria**
- ***Completion date - 30 Sep 99***

Management of Inventory Assets

Field Issues and Comments

- **MVD**
- **NAD**
- **NWD**
- **LRD**
- **POD**
- **SAD**
- **SPD**
- **SWD**
- **ERDC**

US Army
Corps
of Engineers

Management of Inventory Assets
Next Major Milestone

- ***Commander/Directors certification of task completion due 1 Jul 99 to CG***
- ***Listing of military-funded inventory items due 31 July 99***
- ***Complete Phase II by 30 September 99***

US Army
Corps
of Engineers

Management of Inventory Assets
Questions/Concerns

- ***Are MSCs ready to implement Phase II?***
- ***Concern about the data currently recorded on the CEFMS Inventory Modules***
  - ***Have items been valued at $1 or 1 cent according to guidelines?***
  - ***Are items stocked correctly chosen?***

Management of Inventory Assets
Recommendations

- **Begin to implement Phase II**
- **Continue to monitor the progress toward meeting 30 Sep 99 deadline**
- **Submit certification to the CG that Phase I is complete**